

MEETING OF THE BOARD OF FINANCIAL INSTITUTIONS

September 11, 2012

11:30 a.m.

Minutes

BOARD MEMBERS PRESENT:

Dennis Hymas, Bill Tingey, Kip Cashmore, Louise Kelly, Rick Beard, and Commissioner Ed Leary

DEPARTMENT OF FINANCIAL INSTITUTIONS STAFF PRESENT:

Michael Jones, Paul Allred, and Sonja Long

1. Call Meeting to Order – Commissioner Ed Leary

Commissioner Leary explained that due to a scheduling conflict he will need to be excused about 12:15 pm.

2. Minutes -

Kip Cashmore said that the next meeting date on the last minutes was incorrect. He asked that that be changed and then he made the motion to approve the minutes. Bill Tingey seconded the motion. It was unanimous.

5. Examiner Turnover – Commissioner Leary

Schedule adjusted for Commission Leary's early departure.

Through the end of August we will have had 8 examiners resign and/or leave the department. For our department that is about 18% of the examiner staff. That number includes one supervisor. Our holding company supervisor went to the Federal Reserve. Commissioner Leary discussed the turnover and the difficulty we have when having new examiners. He explained that as we come out of a downturn, we usually see a few examiners leaving as banks can afford to hire again. And to increase the salary for examiners in this economic situation would not be easy.

6. Department Centennial – Commissioner Leary

The Department turns 100 in 2013. We are attempting to put together a package of ideas of things to do to recognize it. We are looking at a resolution from the legislature and the Governor's office. He just wanted the board to be aware of that.

7. Current topics – Commissioner Leary

The current burden for the department is to get the 10 new examiners trained and onto the exam scheduled.

The department is looking to do a technical amendments bill in the next session of the legislature. We are at a point where we need to do one; it is just about deciding what needs to go into that. Commissioner Leary went through some of the items that have been discussed adding to that bill.

Also, due to the security breach recently with the Health Department, the Governor's office has hired Deloitte to do a security assessment throughout all of the departments in state government. We have had our kick off meeting last week. We expect the auditors to come in shortly and look at security vulnerabilities of the department and put that in a report back to the Governor's office. The report would not be public, but as an agency, it represents a good contribution of resources at this time trying to answer all of their questions. From what we have seen it would be all the way from data security to physical security.

Commissioner Leary left and asked Michael Jones to act as Chair in his absence.

3. Budget - Michael Jones

He gave out his handout on the budget. Handout #1 is for the end of FY12, there is only June that was added since the last board meeting. He went through the changes.

He gave out the FY13 financial statements they are as of August 30. We have had our asset based supervision fee included in these, 3 institutions have not paid as of this meeting.

4. Out of state travel – Michael Jones

Michael gave out his out of state travel handout. The first handout is FY12. The bolded items are new or revised since the last board meeting. The second handout is FY13.

Rick Beard asked about doing training with Western Independent Bankers, Michael said that he doesn't receive any information from them. He is not sure what information Tom Bay receives from them. He said that we try to take advantage of any training that would be helpful to our examiners.

8. Other business –

Paul Allred mentioned that Commissioner Leary just celebrated his 20 year anniversary as Commissioner. He is the longest serving State Banking Commissioner in the country. There is one other Commissioner that has served as long; the Commissioner from Oklahoma is celebrating 20 years in August.

Michael asked for a motion to adjourn, Bill Tingey made the motion and Kip Cashmore seconded.

9. Next meetings – December 11, 2012 and March 12, 2013.